



## Filing Receipt

**Received - 2021-09-09 11:41:37 AM**  
**Control Number - 52373**  
**ItemNumber - 89**

**PROJECT NO. 52373**

**REVIEW OF WHOLESALE ELECTRIC  
MARKET DESIGN**

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**PUBLIC UTILITY COMMISSION  
OF TEXAS**

**EXECUTIVE SUMMARY  
COMMENTS OF  
ENVIRONMENTAL DEFENSE FUND  
& ALISON SILVERSTEIN CONSULTING**

Environmental Defense Fund, a non-profit, non-partisan, non-governmental environmental organization and Alison Silverstein, an independent energy consultant, offer these recommendations responding to the Commission's September 2, 2021 questions about demand response in Project No. 52373, the Review of Wholesale Electric Market Design. Our comments offer some policy context for the reliability benefits of demand response, suggest ways to increase and maximize those benefits, and address how to assure that demand response providers and offerings are accountable and respectful of customers' needs and rights.

Demand response (DR) and demand flexibility can come from price-responsive, dispatchable load curtailment and management and voluntary customer actions to shift or reduce electricity use. These offer value for reliability (peak capacity and ancillary services) and market discipline around the clock, not just during peak hours. The Commission should consider the following policy changes to increase DR availability and functionality:

1. Change the regulatory definition of DR by removing the peak reduction focus and enable program design and value realization for winter peaks, valley-filling and ancillary service provision as well as summer peak use.
2. Increase the goals and funding for Texas transmission and distribution utilities' energy efficiency program efforts directed toward DR provision.
3. Increase use of automation to increase customers' willingness and ability to participate in dispatchable, predictable DR.
4. Change interconnection requirements and aggregation rules to enable the use and control of distributed generation and storage and electric vehicles for dispatchable ancillary services and capacity.
5. Use better DR baseline estimation methods.
6. Improve customer access to real-time data.
7. Direct TDUs and REPs to offer residential demand response programs that use common underlying standards for automation technologies, communication and dispatch protocols to ease adoption with minimal customer confusion and cost.

Last, DR programs and providers should deliver value and protection to the customers who provide demand shifts, not just value to the grid and the market. The Commission should impose a set of basic provider accountability and customer protection requirements on DR providers that serve residential and small commercial customers.